

Business Update

New Law Stings Fraudulent Wage Report Filers

Recently enacted legislation provides harsh penalties to businesses that knowingly understate or otherwise misrepresent quarterly payroll amounts used to calculate unemployment insurance tax liability. Businesses that understate payroll are liable for the taxes actually due, if any, plus a penalty of 10 times the difference between the taxes paid under the false report and taxes actually due for the period. Additionally, businesses that misstate payroll amounts will also be liable to Employment Security for reasonable auditing expenses AND collection costs.

New Fines Ahead for Incomplete/Unapproved Tax Reports

Under new state laws, businesses that file incomplete or tax reports in an unapproved format will be subject to fines. Although the law became effective June 20, 2003, the Department determined it would first undertake an effort to educate employers regarding the potential for assessment of penalties. **The Department will begin reviewing all tax and wage reports in August 2004. Businesses found in violation will receive one warning letter. If the problem(s) identified in the letter is not resolved by the next quarter, fines will be assessed.**

Penalties for Incomplete Reports

Each **incomplete** tax report will cost a business up to \$250 or 10 percent of the quarterly tax due, whichever is less.

When no quarterly tax is due, the following fines apply:

1 st incomplete filing	\$ 75
2 nd incomplete filing	\$150
3 rd or subsequent incomplete filings	\$250

A tax report is **incomplete** if:

- The entire wage report is not submitted along with the tax report;
- Required information is not on the wage report (Social Security Number, name, hours worked or wages paid);
- Wages for a significant number of employees are not reported; and/or
- No Employer Reference Number or Unified Business Identifier (UBI) number is included on the tax and/or wage report.

Penalties for Unapproved Filing Formats

Penalties are also in place for **unapproved** filing formats that waste taxpayer dollars because they have to be hand-keyed. The penalty for filing a tax report in an unapproved format will also be \$250 or 10 percent of the quarterly contributions for each occurrence, whichever is less. When no quarterly tax is due and an employer has submitted a tax report in an unapproved format, the following fines will apply:

1 st filing in the wrong format	\$150
2 nd filing in the wrong format	\$250

A filing is **NOT in the right format** if:

- It is NOT filed on the most current version of UIFastTax, UIWebTax or ICESA WA (Go to www.wa.gov/esd/uifasttax to learn about and use the proper filing formats.); and/or
- The paper form used was not provided by or certified by the Department.

If you have questions concerning the implementation of this law, contact your local district tax office from the listing on the back of this newsletter. If you have any questions concerning these penalties, you may send them to Sharon Epperson at sepperson@esd.wa.gov.

Please share this with:

- ☐ Owner
- ☐ Accountant/Bkkr.
- ☐ Business Associate
- ☐ HRM Manager
- ☐ Office Manager
- ☐ Other _____

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Online Articles

- **Revised Unemployment Insurance Tax Handbook**

Local Events

- **Contractor Training** Sept. 28
- **Small Business Workshops**
- **Employer Days at WorkSource Lewis County**

Learn about:



and



at www.wa.gov/esd/efile

**Washington State
Employment Security**

Shared Work: An Alternative to Layoffs

Employment Security's Shared Work Program offers employers of Washington State an alternative to layoffs of skilled employees during temporary declines in business.

Shared Work is a voluntary program that benefits both the employer and the participating employees by saving jobs and money and can accommodate a variety of work situations.

Rather than laying off a percentage of the work force, qualifying employers can reduce the number of weekly work hours of all or a particular group of employees. Retaining skilled employees spares the employer the expense of recruiting, hiring, and training new employees. Employers can also save on payroll costs.

Employees who qualify as participants are spared the hardship of full unemployment, and realize more net income than they would have if they had been totally laid off. Employees who have had their work hours reduced under the program can receive partial unemployment insurance benefits to supplement their reduction in wages.

For additional information on the Shared Work Program and employer application forms, visit the Internet at <http://www.wa.gov/esd/tax/sharedwk.htm> or call 1-800-752-2500. The Shared Work Program cannot be used to subsidize seasonal or part-time employees.

New WorkSource Reports Help Employers Set Competitive Wages

How much is a job worth? For most workers, the answer may be "as much as I can get." But for employers, determining a reasonable wage is often a challenge. Pay too little and you risk losing employees to competitors. Too much and you cut into profits.

WorkSource, Washington's comprehensive career services network, recently issued a dozen industry-specific wage reports available to employers at no charge online at <http://www.go2worksource.biz/answers>.

"These free reports include information to help employers set their pay scales at the right level to be competitive and retain qualified employees," said WorkSource Communications Manager Bill Tarrow. "They are part of WorkSource's efforts to help businesses be successful."

The reports outline average wages for entry-level and experienced workers in several industry sectors including accommodations and food services, agriculture, construction, finance, manufacturing, health care and social assistance, real estate, retail, transportation and warehousing, administrative and support positions, and professional, scientific and technical services.

Statistics were compiled by Employment Security and are based on a survey of 24,000 businesses across the state that together employ nearly 2 million workers.

Washington is offering the reports to businesses at no cost as part of an outreach campaign to better inform employers about recruiting, hiring and placement services provided by the state's more than 50 WorkSource centers and affiliate sites.

Nearly 14,000 employers statewide recently received an offer in the mail to order one of the reports, along with information about how WorkSource can meet their needs.

WorkSource is a public-private partnership of business, government agencies, nonprofit organizations and colleges that provide all the resources job seekers and employers need in one place.

WorkSource maintains the state's largest database of job seekers and their qualifications. Business representatives who specialize in the local labor market can work directly with employers to find and pre-screen job applicants. Other services include free job listings, workshops and help in accessing tax credits.

District Tax Offices

Bellevue	(425) 649-4388
Bellingham	(360) 676-2070
Lynnwood	(425) 774-2380
Olympia	(360) 407-5145
Out of State	(360) 902-9620
Seattle North	(206) 706-3801
Seattle South	(206) 766-6300
Spokane	(509) 532-3090
Tacoma	(253) 593-7380
Tri-Cities	(509) 734-5880
Vancouver	(360) 735-5050
Wenatchee	(509) 662-0448
Yakima	(509) 574-0137

Report a Fraud Today!

Know of a dishonest contractor, employer, worker, healthcare provider, or attorney?

Report a fraud:
1-888-811-5974
www.fraud.ini.wa.gov



WORKSource

Washington

List job openings.
Search resumes.
All at no cost.
www.go2worksource.biz

Quarterly UI Tax reports and payments are due July 31, 2004.

Employment Security is an equal opportunity employer and provider of employment and training services. Auxiliary aids and services are available upon request to persons with disabilities.